COMPTROLLERSHIP

IN A

NAVAL DISTRICT

BY

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A TERM PAPER FOR

THE NAVY COMPTROLLERSHIP COURSE

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TABLE OF CONTENTS

INTRODUCTION

Again a paper is generated by necessity--at least the necessity for this individual to gather together all information on a subject, study it, organize it, and put down in writing his findings; anticipating assignment to the Comptroller billet in a naval district, the writer found a dearth of collated information or specific instructions pertaining to the initiation of this "field" comptroller's billet. This was not surprising, since the comptroller function had been established in only two districts (1st and 11th), as pilot installations, in the middle of fiscal 1953. Based on pending evaluation of those organizations, the Navy Department contemplates establishing the Comptroller Office in other naval district headquarters sometime after 1 July, 1953. It is expected that more definitive, as well as comprehensive, instructions and manuals will be forthcoming then.

The District Comptroller is to perform his functions with regard to all appropriated funds administered by the Commandant. His is and will be a line captain's billet, reporting to the Chief of Staff or, on occasion, directly to the Commandant, as instructed. He is a staff officer under the sole command of the Commandant; there is no line function connecting him directly with the Comptroller of the Navy or any bureau comptroller; any authority he exercises is in the name of or by direction of the Commandant, and any orders he receives emanate from the Commandant or his Chief of Staff.

I will bring together in this paper the comptrollership concept, the specific functions and responsibilities of the comptroller as delineated to date, my interpretation of those functions as applied in the field, and the district comptroller's office organization as proposed and as tried so far. I will include some basic "hows" and "whys" of executing the comptroller's functions, and I will try to eliminate any of my own personal bias or prejudice

where not supported by good practice or directive. Pertinent excerpts from the writings of those in authority or in current comptroller positions will be quoted freely and coordinated to show their thinking and conclusions on the subject.

The comptroller concept in the service is relatively new, is even more so in the "field" activities of navy administration, and is specifically so in the naval district headquarters organization. Having the little bit of knowledge we of the Navy Comptrollership Course now have, I would most strongly urge going to a field comptroller billet with an open mind, no preconceived ideas of tearing up the earth and saving a billion the first quarter, and a remembrance that your primary job is to promote, by advising, economy through cost consciousness and more efficient and effective financial management--and that economy does not necessarily mean reducing a dollar figure every time you see it!

I. COMPTROLLERSHIP IN THE ARMED FORCES

Although the comptroller concept is relatively new in the armed forces, the functions are not. Funds have been appropriated by Congress, apportioned, allocated, and administered; the tools of management such as personnel administration, management engineering, fiscal accounting, budgeting, and reporting have been used for years to arrive at varying degrees of efficiency, effectiveness, and economy in the use of government funds. Some functions of a comptroller's office have been carried on by offices under various titles such as the Fiscal Office, the Budget Office, the Management Office, the Manpower Utilization Office; the majority of the navy field installations still depend upon one or more such offices to provide the information and service desired.

It would be well at this point to review some of the historical developments that led up to the establishment of the Bureau of the Budget in 1921 and the Comptrollership organization in the armed forces in 1949.

Prior to 1921 each department of the government merely sent an estimate of its annual requirements to the Treasury Department; these estimates were compiled without revision and sent to the Congress for consideration. There was no adequate budgetary system and means of centralized control. World War I brought on federal expenditures and resultant taxes of such proportions that the public, for the first time, really became aware of the huge public debt; under pressure of taxes they began to complain, also for the first time. The Budget and Accounting Act of 1921 resulted. This Act established the Bureau of the Budget, charged with coordinating, reviewing, and screening of all governmental requests for appropriations.

World War II brought on tremenduously increased expenditures and showed up two primary weaknesses in the federal appropriations structure: (1) appropriations requests were not formulated upon programs and functional lines, and

office work, etc.) can be added up for any period desired, or can be broken down into the cost of construction of any one ship. In operation the system is not quite as ideal or simple as stated, but one immediate result in the navy was reduction of the number of appropriations from 42 in 1950 to 21 in fiscal year 1951.

The same Public Law 216 provided for an Office of Comptroller in the offices of the Secretary of Defense, Secretary of War, Secretary of the Navy, and Secretary of the Air Force. The Law further specifies that the Comptroller of the Department of Defense will be one of the Assistant Secretaries; that position is held currently by Mr. McNeil. Another section of the Law established comptrollers in the three military services and prescribed functions for them paralleling the functions prescribed for the Comptroller of the Department of Defense. The Assistant Secretary of the Navy for Air was designated initially as Comptroller of the Navy; in early 1953 the Under Secretary of the Navy was so designated (Mr. Thomas). In the navy the Comptroller's Office, established on 1 June, 1950, is made up of a Deputy Comptroller (currently RADM Solomons) who coordinates and supervises the work of two divisions: the Budget and Reports Division under an Assistant Comptroller who is also titled Director of that division, and the Accounting, Audit, and Finance Division under an Assistant Comptroller.

In a letter to the Secretaries of the Armed Forces dated 27 September, 1950, the Secretary of Defense stated that:

> When comptroller activities are performed at subordinate organization or command levels, such as a bureau, a technical service, an administrative office, or a military command, the head of such organizational unit may appoint a comptroller. These comptrollers shall be responsible for performing such activities, subject to the administrative supervision and direction of the head of their organizational unit and the functional control of the Departmental Comptroller. In a similar manner a comptroller

(2) financial responsibility was diffused and unduly complicated by internal management.[1] Any one field activity might be financed by many different appropriations, each of which was administered by a different bureau or office; in the navy it might be training under the Bureau of Personnel, repair and maintenance under the Bureau of Ships, medical care and supplies under the Bureau of Medicine and Surgery, public works under the Bureau of Yards and Docks. No single bureau exercised complete financial control of an activity, no office could tell what it cost to operate that activity for a year.

The National Security Act of 1947 established the Department of Defense; an amendment effected by Public Law 216 in 1949, established the performance budget and provided for a comptroller organization in the National Military Establishment.

Public Law 216, Section 403, provides that "the budget estimates of the Department of Defense shall be prepared, presented, and justified . . . so as to account for and report the cost of performance of readily identifiable functional programs and activities, with segregation of operating and capital programs."[2] A primary objective of the performance budget is to simplify internal management of fiscal affairs. To do this, financial support of a program, such as Construction of Ships, should be provided in a single appropriation. One activity, such as a shipyard, under the management control of one bureau, receives its primary allotment from that bureau, and management and fiscal lines of authority are paralleled. Moreover, since the navy accounting system has been remodeled and streamlined to fit the concept of the perofrmance budget, all expenditures of that shipyard carry a common accounting number and the total expense of operating that activity (medical services to shipyard workers, salaries, materials,

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[1] CDR. A.E. EDWARDS, USN, "Comptrollership in the Armed Forces," lecture presented in October, 1952.

[2] 81st Congress, Public Law 216, Section 403, Title IV.

may be appointed at each industrial or other installation, where warranted.[1]

Mr. FLOBERG, then Assistant Secretary of the Navy for Air and Comptroller of the Navy, commented in regard to the above:

> Giving due recognition to operating management responsibilities, it is the policy of the Navy Comptroller to foster and encourage the appointment of comptrollers at bureau and field activity level, where warranted, rather than direct the establishment of such positions. This approach is designed around a program of education from which fair evaluation of the potential benefits of comptrollership will cause a desire by the heads of subordiante organizations to initiate such action. Giving due recognition also the diverse nature of the many naval field installations, to the military civilian personnel relationships, to the human relations factors attendant to reorganization and to the experience of industry in the development of the comptroller function, it is desired to develop comptrollership progressively and an organization tailored to fit local needs with the ultimate goal of common patterns where feasible. Through the audit function, however, performed under the direction of the Comptroller of the Navy and in collaboration with the Naval Inspector General and the technical bureaus and offices, means are available to insure that the need for the functional and organizational requirement for a complete, concise and accurate service of financial information and progress analysis is recognized and provided wherever warranted throughout the Naval Establishment. The objective of the Comptroller of the Navy is economy and efficiency in operations, not the adoption by fiat of a precise form of organization which, though designed to make possible greater economy and efficiency in operations, will not be productive without the full support and understanding of the management or command authority served, or with lowered morale of the people involved, which would result from precipitate reorganizations.[2]

Toward the last of his letter Mr. FLOBERG also observes:

> Sec 402 (b) of Public Law 216 contains a provision that "Where the departmental comptroller is not a civilian, the Secretary of the department concerned shall appoint a civilian as Deputy Comptroller." This provision gives recognition to the need of providing a continuity of civilian experience, technically trained in business management, to complement the experience of the professionally-trained officer who brings to the comptroller's office an innate understanding of naval operations and who, therefore, has a fuller understanding of and is more responsive to the needs of the military aspects of naval plans, operations, and programs. Although the law requires such a complementary relationship at the departmental level, there is no such requirement in the law for comptrollership billets at the bureau or field installation levels. It is the policy of the Navy to encourage the appointment of professional naval officers to billets as comptrollers throughout the bureaus and field organizations of the Navy, with civilians filling billets of deputy comptrollers when such positions are established. This policy is predicated on the long-range objective of bringing to the command or management authority of subordinate naval

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[1] John F. Floberg, a letter to Mr. Ismar Baruch, Chief, Personnel Classification Division, U.S. Civil Service Commission, dated 10 Dec., 1951, quoted therein.

[2] Ibid.

organizations a full understanding of the potential of comptrollership to assist command or management in the economical and efficient attainment of program objectives. The training which a naval officer will receive in a comptroller billet will greatly enhance his ability as an administrator when later on in his career he is given command or management responsibility over a naval shore installation or a technical bureau. With the vast expenditures currently being made for the build-up of a stronger military posture in today's world of uncertainty, it is more than ever necessary that we enhance our efforts toward the development of a stronger degree of peacetime cost consciousness and improved business management ability in our military personnel. Comptrollership experience, included in the rung of the ladder of development of military personnel, is expected to contribute greatly to this objective and to the overall objective sought by Public Law 216. Because of the foregoing, an even greater responsibility is placed on the civilian deputy comptroller, not only for providing an effective continuity of comptrollership functions under the Navy plan of officer rotation; but also for contributing directly to the training of naval officers for future positions of great responsibility.

The reactions of one civilian writer and authority on industrial economics, as regards efficienty and economy in the military services, is expressed thus:

> Quite properly, members of the military profession are technicians in the science of defense. Their major premise is that the economy and the social structure, hardly less than the political states, are lost if the system of military security should fail. Like the enigneer, they feel the need to include a substantial margin for safety in their calculations but, unlike the engineer, they have no means of knowing in advance the loads or strains that will have to be dealt with.
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> The economist, on the other hand, thinks first of resources. His problem is to consider how scarce and limited resources may be most efficiently administered to gain the ends in view. But this problem now is common ground on which the military men and the economist must meet and work together. It is the problem of balance between the military striking force and the civilian reservoir of men, morale, and machinery upon which the actual fighting force must depend in this day of industrialized war. It is the question of economic supply and military demand . . .[1]

It is a belief of many authorities that the adoption of the title "controller" was unfortunate; this was felt particularly in industry, and possibly is one reason the military services clung to the term "comptroller," although there is little difference in verity of derivation of the two terms, and they are

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[1]Edwin G. Nourse, "Perils of the Military Strain," American Affairs, Vol. XI, No. 1, Jan., 1949, P. 14.

pronounced the same (Kon-trol'-er). "CONTROLLER," the publication of the American Institute of Controllers, has this to say about "controlling":

> There seems to be a tendency for controllers to avert their eyes and assume a look of injured innocence when they are referred to as having or exerting "control." Perhaps this reluctance to be identified with "control" is a contributing cause to the persistence in modern business of the old-fashioned title "comptroller," an etymologically incorrect word derived from the French and traceable to the antiquities of bookkeeping.
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> Now many words in the English language are commonly endowed with various shadings of meaning, and we move easily from one to another in our conversation. The word "control," when applied to the controller of a business enterprise, has a specialized meaning, which is not clearly understood, even by the top strata of management, much less the financial public and press.
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> Perhaps we can throw light on this shading of meaning by mentioning a few things that the word "control" in this usage does not include. "Control," as here used, does not signify the kind of control over a business which a majority shareholder enjoys. It does not refer to any part of the control centered in the Board of Directors or the president. It does not include line authority for making or carrying out policy or operating decisions, except in the particular sphere of financial operations heretofore described, and even there the authority is carefully circumscribed to the extent that there is a functioning treasurer in the organization.
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> What then is left for our definition? Perhaps it will be useful to say that the type of control exercised by controllership is the presence in a business of that force which guides it to a predetermined objective by means of predetermined policies. It does not steer the course, but it informs operating management of any significant deviation from it. It never issues orders, but it sees and knows all, and makes plain to the man in charge what he must do to achieve the prescribed aim.
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> Viewed in this light, no controller need shrink from his title, nor hesitate to exercise the control that it implies. "Budgetary control," an accepted term, is a starting point, and once the controller has mastered the techniques of supervising a budget system without encroaching on anyone's decision-making perogatives, he will have absorbed most of the philosophy of control. He will be skilled in the science of providing effective controls for his business and making them work.[1]

As I have said, the Comptroller concept is not a new one, even in government, where the U.S. Treasury Department had a Comptroller specified when that department was created by the Act of September 2, 1789. We will examine the present day functions of a comptroller, particularly in the Navy, in the next chapter.

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[1]James L. Peirce, "The Controllership Function: A Modern Concept," The Controller, Sept., 1952, p. 421.

II. THE COMPTROLLER FUNCTION--GENERAL

The mission of the Comptroller of the Navy, under the authority of the Secretary of the Navy, is to formulate principles and policies and to prescribe procedures in the areas of budget, fiscal, accounting, audit, and progress and statistical reporting throughout the Department of the Navy to the end that their use will result in meeting the operating and planning requirements of management with efficiency and economy.[1] It is apparent that even the mission is not stated simply; as we will see in a following section, the functions are even more difficult to condense. At the expense of possible oversimplification, the mission of the Navy Comptroller may be restated as "to advise and assist the Secretary of the Navy in developing and maintaining efficiency and economy through budgeting, and fiscal procedures."

The Comptroller of the Navy is directly responsible for budgeting, accounting, progress and statistical reporting, internal audit, providing financial assistance to defense contractors, and for the administrative organization structure and managerial procedures relating to such responsibilities within the Department of the Navy. We note, however, that the Navy Management Staff under a Director (formerly the Office of Navy Management Engineer) has been brought into the Office of the Under Secretary of the Navy; and that a Civilian Allocations and Standards Division has been established (March 1953), under the supervision and direction of the Assistant Comptroller, Director of Budget and Reports; this latter division is responsible for Navy civilian personnel requirements and ceiling allocations, and coordination of civilian manpower requirements with the budget.[2] These organizational changes may well be reflected in responsibilities of field comptrollers, depending upon local circumstances and the

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[1] Dept. of the Navy, Office of the Compt., Current Charter of the Comptroller of the Navy, 26 Aug., 1952.

[2] Dept. of the Navy, Office of the Compt., ~~NAVCOMPT Office Bulletin~~ No. 3-53 of 27 March, 1953.

desires of the field activity commander.

The relationship between operating management and financial management must be close and well coordinated at all levels, a necessity that is emphasized by the extreme size and complexity of the navy and by the mushrooming proportions of appropriations and the percentage of the national budget represented by the slice apportioned to the armed forces. Again I quote from Mr. Floberg's letter in regard to comptroller relationships:

> Financial management is part and parcel of operating management responsibility. Organization for financial management must therefore be closely integrated with the organization for operations. This relationship must exist at each level of organization. Financial management permeates every facet of operation. Therefore, of foremost concern to comptrollership is the conversion of program objectives to financial plans of operation, financing of the plan, and, through coordination of the functional specialties of comptrollership, provision of timely analysis of the results of financial operations as related to progress, economy and efficiency in the accomplishment of program objectives. (It should not be inferred that the comptroller is personally responsible for control of operations--that is the function of the overall management or command authority at each level of organization. The comptroller provides the basis for such control through the development, coordination, integration, analysis and interpretation of control information. Thus, in essence, the comptroller is the alter ego of the management or command authority served).
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> . . . . . .
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> Recent long-range plans adopted for substantial increases in the level of our military potential, coupled with appropriations unprecedented in peace-time, have served to increase the responsibilities of Comptrollers in the Navy and their importance in the overall Navy management picture. New problems of management related to semiwartime operations have served to accentuate the need for closer and more effective management control of operations. This has a direct bearing on the job of a comptroller because of his special qualifications. As repeatedly appears in industry, he may be called upon to serve this management or command authority in areas of business management beyond the functions of comptrollership specified in Public Law 216.[1]

The Current Charter of the Comptroller of the Navy is annexed hereto as Appendix 1.

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[1] Floberg, op. cit.

III. THE COMPTROLLER FUNCTION--FIELD ACTIVITIES

As we have seen, it is not the intent of the Navy Department to force acceptance of a comptroller billet upon any activity until the need for the function is appreciated and the commander of the activity is convinced that a comptroller's office would result in improved efficiency and economy. This expression of policy has been carried out in actuality; information on the role of the comptroller has been disseminated, and a comptroller assigned when definitely requested. In some cases most of the functions of a comptroller are being carried on by one or more persons with different titles, and it remains only to consolidate the functions in one office, invariably with an appreciable saving in personnel.

It is too often convenient for a command to think of the comptroller as a head bookkeeper and chief accountant, assigning and restricting his duties accordingly. The needs for, and the latitude and number of, comptroller functions vary at different levels of management and even among similar activities; a bureau comptroller's functions are patterened after but do not correspond exactly with those of the Navy Comptroller; the 8th Naval District has many different needs and considerations as compared to those of the 9th or the 12th Naval Districts, or as compared to those of the Naval Gun Factory or the Naval Aviation Supply Depot at Philadelphia.

The comptroller at any activity is only as effective as his commanding officer allows or requires him to be. The scope and limitations of his functions of advising, coordinating, and constructively criticising depend upon that superior's knowledge of and use of the comptroller concept. The commanding officer can and should require the comptroller to be a staff member of his management team and to provide, with initiative and imagination, practical and continuous

financial management advice, caution, or incentive. If he does not he is not obtaining a full return from a person on his staff--if he does not have faith in or respect for his comptroller, or even if he just does not like him, he should not retain him! This does not obviate the use of a little salesmanship on the part of a comptroller initiating a new and worthy office--there is no substitute for ordinary common sense, and certainly the comptroller can use a lot of it wherever he goes; it may be the largest single factor for which his commander is looking.

Mr. Floberg had this to say in regard to the initiation of the comptroller concept at bureau level and in field activities, and their relationships:

> It is the policy of the Navy Comptroller, particularly in view of the obvious fact that a large part of Navy Comptroller activities must of necessity (as indicate from the above quotation and also from the huge unprecedented backlog of procedure development work resulting from the requirements of Title IV of Public Law 216) be performed at subordinate organizational and command levels, to limit the staff of the departmental Comptroller's office to that minimum staff necessary for policy determination; for promulgations of procedures of that degree of uniformity essential to meet external requirements over which the Navy has no control; for the integration of any fiscal procedures and methods relating to the efficient and economical overall naval financial administration; for an effective audit program; for general guidance in the formulation of the Navy's budget, for effective review and analysis of budget estimates and programs, and for evaluation and reporting on the progress in the accomplishment of Navy programs; and to provide such guidance and assistance to the technical bureaus of the Navy as is necessary to the end that procedures in the comptroller functional area, developed at bureau or field levels to fulfill the special requirements of management at those levels, effectively supplement and do not duplicate the the uniform procedures promulgated for overall Navy financial administration. The Comptroller of the Navy, the Deputy Comptroller, the Assistant Comptroller, Director of Budget and Reports, and the Assistant Comptroller, Accounting, Audit and Finance, form the top financial management team which directs all financial operations of the Navy and performs those functions of financial policy making which would otherwise be performed by the Secretary of the Navy if the magnitude of the task were not so great and time would permit.
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> Bureau Comptrollers (or Fiscal Directors) function within the general framework of Navy-wide policies and controls exercised by the Comptroller of the Navy. Subject to direction and broad coordination of Navy-wide fiscal programs by the Comptroller of the Navy, the various fiscal activities and operations are carried out largely in the technical bureaus and in field

installations. The Bureau Comptroller (or Fiscal Director) is responsible to bureau top management for attainment of objectives within his bureau and for coordination of the attainment of fiscal objectives at field activities under the bureau's management control in the same sense that the Navy Comptroller is responsible to the Secretary of the Navy. Bureau Comptrollers (or Fiscal Directors) are expected to carry a major role in assisting the Comptroller of the Navy in the accomplishment of those objectives prescribed in Public Law 216, and otherwise participate in the formulation of overall policies and control practices by making recommendations, participating in policy making conferences, and conducting studies separately or as part of administrative teams consisting of representatives of the Comptroller of the Navy, the bureau, other bureaus, and, as occasion demands, of field activities. For example, such teams have been assighned the task of developing working-capital-fund-pilot-systems installations at the Philadelphia Naval Shipyard, the Naval Ordnance Plant at York, Pa., and other activities. . . . Another result [of the performance budget] is that is places a greater degree of responsibility on comptrollership personnel at the bureau level and in the larger field installations in carrying out the policies of the Comptroller of the Navy and in developing supplementary financial systems which will appropriately reflect the cost of performance of authorized programs and provide to the operating management authority that information basically essential for effective management. Such information has not heretofore been available to the extent required for the most effective management throughout the Naval Establishment. Thus bureau comptrollership personnel, as well as comptrollership personnel in the major operating stations, having firing-line intelligence of the requirements of operating management, will carry a large share of the burden of the task of revising financial systems and development of procedures for overall naval financial administration, in addition to the normal task of providing to the local management or command authority served an analysis of financial programs and progress attained thereunder. It is anticipated that each bureau comptroller, and the Comptrollers of the larger field installations, will encounter major problems peculiar to their respective operations and which are not susceptible to uniform or overall policies. Many of these problems will be resolved through coordinate action between the field comptroller and the bureau comptroller or between the Bureau Comptroller and the Navy Comptroller. While the Comptroller of the Navy is responsible to the Secretary of the Navy for Navy-wide financial management, there is no plan to relieve or lessen bureau comptrollers' responsibilities. Instead it is part and parcel of the Navy Comptroller's policy, without in any way compromising the statutory or delegated authority of the Navy Comptroller, to facilitate and strengthen the functioning of both bureau and field comptrollers through providing expert advice and the services of a small nucleus of experts to assist them to the maximum extent possible in carrying out the major role they are expected to play in vitalizing Navy financial management.[1]

A comptroller in the field (Navy) has been defined as one who, subject to direction and control by higher authority, is responsible for review and analysis, budgeting, accounting, progress and statistical reporting (including

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[1] Ibid.

analysis and interpretation) and internal auditing. He will perform such other assigned duties as may be sonsistent with the comptroller's function. This appears to be a rather loose definition based more on function than anything else, and does not include all of the functions. A Comptroller defies objective definition; we should examine more closely the mission and functions.

One of the first drafts of the proposed charter for field activity comptrollers cited the Mission and Objectives as follows:

> To provide for the Commandant, in a staff capacity, a complete, fully coordinated service in the area of financial management, fiscal policy, formulation and administration of the budget, supervision of accounting, audit and finance functions, and the necessary service of program analysis and progress reporting, to promote economy and efficiency in operations.[1]

A later draft, about to be promulgated, describes it in this way:

> Integrated System for Financial Management. Establishes, coordinates and maintains an integrated system of staff service that will provide to the commanding officer the factual data essential for effective management control of operations. Provides technical guidance and direction in financial matters throughout the organization, as an aid to the commanding officer. This integrated system will provide for a classification of the programs administered and their objectives; an inventory of budget plans and program schedules that should be kept current; for processes of budget formulation, review and execution; for the collection of expenditure, cost and other accounting and operating statistics data, and for a review of program performance and of the pattern of resources utilization.[1]

The functions, and the closely-related responsibilities, of a comptroller in the field have been enumerated by three or four writers of experience and/or authority in the Navy Department. Their ideas will be consolidated and points of difference or exception pointed out. Certain functions will be elaborated upon later.

General Functions:

1. Budgeting, including formulation in coordination with operating departments, review, justification, and execution.

2. Accounting, including fiscal, cost, property, and administrative

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[1] Unpublished, unsigned, undated rough drafts of Instructions to come. The approved charter for navy comptrollers in the field is to be promulgated soon and the wording may differ from the above in some particulars. Time did not permit waiting for inclusion in this paper.

control accounting.

3. Progress and statistical reporting, including analysis and interpretation of data in the measurement of progress against plans, the budget, and standards of performance.

4. Internal audit, a control feature operating through appraisal of other controls.

5. Analysis of administrative organization structure and managerial procedures relating to the above functions.

6. Guidance, assistance, and interpretation services, for the commanding officer and other department heads.

An informal talk by the Comptroller to all staff members is indicated early in the game, to explain the organization and functions of his office.[1] This would be followed immediately by the Commandant's formal Instruction establishing the office[2]--the order of presentation is recommended deliberately.

Mr. Floberg's letter of 10 December, 1951, to Mr. Baruch is a most clear presentation of the overall comptroller concept. Although liberally quoted herein, it is recommended that a complete copy be obtained for reading by the Commandant and staff, in order that they may have an enlightening and concise picture of the inception of and need for the comptroller function. That letter was distributed to all chiefs of bureaus and offices as an enclosure to the Comptroller of the Navy letter NCB 31 NCBS 11 of 12 December, 1951.

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[1]Copy of informal talk by by CDR. Edwards at Com 1 Headquarters is annexed. Changes to fit the local conditions will be apparent.

[2]Copies of Com 1 and Com 11 Instructions establishing the comptroller's office, are appended for illustration purposes, not as specific models.

IV. THE COMPTROLLER FUNCTION--OPERATION

The general functions of a comptroller are amplified in this chapter by enlarging in some detail on the operational factors that go to support each major area of responsibility. They do not constitute all of the items of work or study with which the Comptroller will be concerned; some will have application at one activity and not at others. Again, a hard and fast check-off list of "things to do" cannot be set down, and such is not desireable. An open mind and practical approach to circumstances and conditions prevailing on the spot are essential, in an attitude of assisting top management (the Commandant and Chief of Staff) in effecting efficiency and economy through improved supply and collation of information which will aid them in financial management.

BUDGETING

Budgeting has been described as the most comprehensive management planning function. Budgeting and planning are inextricably bound together, most particularly in these days when all desireable, even required, programs cannot be realized fully because of limitation of funds available within the national economy and appropriated by Congress, The most important programs must be executed to as full an extent as possible, to the exclusion of less important, though highly desireable, plans. The maximum of material facilities and effectiveness must be realized, operating under the inevitable and cold facts of increasing limitations on manpower and dollars. Budgeting is not to be thought of as merely limiting dollars--the planning and developing of the budget provides sound justification for the funds that are required for paramount projects, it insures insofar as practically possible the provision of dollars for work that has been determined as essential to support the mission. The budget becomes the operation plan in execution, with controls, review, and progress checks to

insure it is being carried out and that essential work is actually being accomplished with the effective use of the dollars allowed within the time allowed.

An abbreviated description of the overall navy budget process begins with the development of joint overall strategic concepts and force levels by the Joint Chiefs of Staff. With this advice, the Secretary of Defense (15-18 months in advance of the budget year) promulgates to the services the overall policies and guidelines governing budget preparation with regard to personnel, training, maintenance, and procurement matters. The Secretary of the Navy determines the broad navy policies and directs preparation of the navy program objectives. Based on the guidance provided above, as well as the National Security Act of 1947 and ammendments, and "Functions of the Armed Forces and the Joint Chiefs of Staff," the Chief of Naval Operations (General Planning Group) issues a broad outline of assumptions, including forces and their periods and areas of employment, and a statement of levels of personnel and supply, maintenance, operation, readiness, and mobilization reserve that must be maintained; the Deputy Chief of Naval Operations (Personnel), DCNO (Administration), DCNO (Operations), DCNO (Logistics), DCNO (Air), Assistant Chief of Naval Operations for Naval Reserve, Headquarters Marine Corps, and the Chief of Naval Material then prepare more detailed schedules of requirements and plans; with this material the General Planning Group prepares the Navy Program Objectives. The Assistant Comptroller of the Navy, Budget and Reports, has been working closely with the General Planning Group during formulation of the Objectives, and now prepares a short method one-line budget estimate covering the Objectives. The Objectives and the budget estimate goes to the Chief of Naval Operations and thence to the Secretary of the Navy for review and approval. When approved, the Chief of Naval Operations forwards the Program Objectives to the Joint Chiefs of Staff for

coordination with the Army and Air Force Programs. In the meantime the General Planning Group develops the first tentative Basic Naval Establishment Plan (BNEP) from the Program Objectives. The latter are issued to the bureaus and offices of the navy and the Navy Comptroller puts out to the bureaus and offices his "call for estimates" based on those Program Objectives; for the fiscal 1955 budget the calls and objectives should go out in about February or March of 1953. The bureaus and offices will issue localized or specific objectives as necessary to field activities, with a corresponding call for estimates. By June 1953 the bureaus and offices should have their budget estimates in to the Office of the Navy Comptroller; there the estimates are reviewed and a preliminary budget is recommended to the Budget Advisory Committee and to the Secretary of the Navy. The Chief of Naval Operations and the Secretary of the Navy review this recommended budget and determine the departmental budget, which is forwarded to the Secretary of Defense in early August 1953 (it is hoped). The Assistant Secretary of Defense (Comptroller of the Department of Defense) holds hearings with the service secretaries and comptrollers, and recommends a budget to the Secretary of Defense; he reviews it and transmits estimates to the Bureau of the Budget, by 15 September as required by the Unification Act; here it is again reviewed and justifications are heard, although the Bureau of the Budget and the Secretary of Defense hearings are now combined to save time. In any case, the Navy Department budget is determined by the Bureau of the Budget and it is incorporated into the President's budget document, from whence it goes to Congress. At this time, based upon the changes in budget estimates made to date, the General Planning Group prepares the Second Tentative BNEP. Also at this time the Navy Comptroller instructs bureaus and offices regarding the form and content of final "estimates and justifications" in support of the President's budget estimate. The bureaus and offices then prepare the final estimates and written justifications

and send them back to the Comptroller, who coordinates the budget and justifications for presentation to Congress.

When the Appropriations Act is passed by Congress and signed by the President, the final BNEP is made up in conformance with funds and general provisions of the Act, and it is issued to the service for guidance during the fiscal year which it covers.

Upon receipt of a copy of the Appropriation Act, the Treasury prepares and forwards to the General Accounting Office an appropriation warrant for each appropriation; the General Accounting Office determines if it is in accordance with the Act and countersigns it, records the amount, and returns the warrant to the Treasury. Here the amount is again recorded and a copy of the warrant is forwarded to the Secretary of Defense, serving as a notification that the appropriation is available for obligation and expenditure. The Secretary of Defense coordinates the service departments, after screening by the Joint Chiefs of Staff, for inclusion in the budget for the National Military Establishment. The Comptroller of the Navy is charged with preparation of the navy annual estimates; each bureau or office receives copies of the appropriation warrants with which they are concerned, and prepare estimates which constitute requests for apportionment of funds available on a quarterly basis; these are based in part upon estimates received from the field and program activities; this estimating process can be foreshortened by timely anticipation. The bureaus and offices forward their estimates to the Comptroller of the Navy; after review by the Secretary of the Navy the apportionment requests for the several appropriations are forwarded to the Secretary of Defense and the Bureau of the Budget where a final review is held, again in conjunction usually, and the Bureau of the Budget publishes the approved apportionment of funds by fiscal quarters.

Thus it is seen that the field activity receives general guidelines

from its managing bureau in the form of Program Objectives, or what is to be accomplished. As directed by the bureau in response to the call for estimates, the activity surveys its manpower and material needs and submits estimates of requirements, together with detailed justifications. The bureau uses this information to compile its first budget draft. The activity may be called upon to revise its estimates in conformance with revisions to the bureau budget, or to strengthen justifications. It finally receives from its management bureau allocations of funds under the pertinent appropriations; the funds allowed may or may not fully support the programs as initially budgeted by the activity; if not, then the activity must reprogram, or revise its manpower and materials estimates to accomplish the objectives as effectively as possible, or to a lessor extent than planned, If this is not considered practicable by the commander, justification will be worked up to support further request for additional funds. In all such revisions, justifications, and requests, the Comptroller of the activity will assist Program Managers with statistical data and advice of his office.

One suggestion in connection with budget work is that work forms be used on which observations or decisions can be noted in connection with both the budget under study and the next year's budget.

In the case of a Naval District, the Comptroller will receive the initial estimates of the Program Managers, review them for reasonableness and conformance with program objectives, and submit them to the Chief of Staff; the latter will determine the final level of support to be requested for each program, subject always to approval by the Commandant; Program Managers will confer with the Commandant, Chief of Staff, and Comptroller as mutually desireable or required. After the appropriations have been apportioned by the Bureau of the Budget and passed down to the management bureaus, the district Program Managers

will work up quarterly allotment requests and submit them to the Comptroller. He will review these with the Chief of Staff and, after approval, send them on to the cognizant bureaus or offices. Upon receipt of the quarterly allotments the Comptroller will make funds available to Program Managers or other offices by delegation or by sub-allotment. The Program Managers or offices will then perform the operating administration of their funds within their allotments.

The Fiscal Agent, or activity that keeps the accounts of allotments (a Supply Department activity at a Naval Station, shipyard, or similar command) will report the status of funds to the Allotment Administrator and the Comptroller; the latter is responsible for keeping each Program Manager informed of the status of his funds and for keeping the Commandant advised of the status of all district funds.

Another writer lists the basic comptroller duties connected with budgeting as follows:

1. Develop, consolidate, and supervise, with responsible staff and operating organizations, the preparation and justification of budget estimates in support of approved or proposed programs.
2. Develop, with responsible staff and operating organizations, annual financial plans for approved operating programs.
3. Plan and perform, with other staff and operating organizations, analyses and projections of financial plans to:
   a. Measure progress against established objectives.
   b. Project availability of funds required to attain approved objectives.
   c. Determine areas where financial reprograming may be effected.
   d. Initiate action to adjust financial plans to available funds or return unrequired balances, or, as appropriate, submit justified requests for additional funds.
4. Provide guidance to all administrative levels, as required, concerning the availability of funds of an appropriation allotment for a specific use or purpose.

It might be well to call attention to the provisions of Section 3679 of the Revised Statutes relative to overobligation or overexpenditure of appropriated funds; in case of violation of these statutes or of any provisions of NAVCOMPT Instruction 7303.1, the Commandant is required to report the violation to the Secretary of the Navy, naming the individual(s) involved. Subsction

(i)(1) of Section 3679 reads:

> In addition to any penalty or liability under other law, any officer or employee of the United States who shall violate subsection (a), (b), or (h) of this section shall be subjected to appropriate administrative discipline, including, when circumstances warrant, suspension from duty without pay or removal from office; and any officer or employee of the United States who shall knowingly and wilfully violate sub-section (a), (b), or (h) of this section, shall, upon conviction, be fined not more than $5000.00 or imprisoned for not more than two years, or both.

ACCOUNTING

This function provides management with staff services including fiscal, cost, property, and administrative control accounting and, where specifically assigned, maintenance of the accounting records. As previously stated, the naval districts normally have a Supply Department activity keep the accounting records for allotments and render the regularly required and routine reports. Plant property account records will be maintained usually by Program Managers and the Supply Department as locally required. The Comptroller will receive copies of all such records or reports as are needed, to provide a coordinated picture of financial status to the Commandant, and to maintain statistical data for comparison, analysis, and progress reporting purposes.

Basis duties of the Comptroller under this function include:

1. Assure the maintenance of accounting records as required by the commander and higher echelons.
2. Assure receipt of current information relative to the status of all accounts that are maintained.
3. Assure the preparation, consolidation and submission of reports from accounting records as required by the commander or higher authority.
4. Provide technical accounting guidance to nonappropriated fund activities.
5. Report deficiencies in accounting systems and procedures and submit recommendations for changes through appropriate channels. When appropriate, recommend supplementary methods and procedures.
6. Supervise or maintain accounting records as may be prescribed by higher echelons.

A vital question is that of how best to insure that the fiscal accounting of expenditures and obligations in regard to allotments and contracts will supply

financial control information of the type desired at the time required, to assist management in seeing trends and making decisions soon after deviations from plans occur, and not 20 or 30 days later when the records have been proved and bookkeeping for the period completed. Can the individual Comptroller work closely enough with the particular Supply Officer to assure that result? Would it not reduce duplication of personnel and work to transpose the Fiscal Division of the Supply Department to the Comptroller's Office, paralleling the functional organization structure in effect under the Naval Industrial Fund and in business? Would that be feasible at the particular naval district? There are no top-level decisions, or even expressed views, on that sensitive subject today, other than that the result expressed above is vital.

PROGRESS AND STATISTICAL REPORTING

This function includes analysis and interpretation of data in the measurement of progress against plans and standards of performance. It is difficult, in a smaller comptroller's office such as in a district, to separate the function of gathering and using statistical data; the function of Program Analysis or Review and Analysis concerns the proper use of data collected, and is included in this section.

The Comptroller will Supervise, in the field of statistics:

1. Collection, analysis, summarization, and interpretation of statistical data, gathering his statistics from current reports without originating requirements for additional reports insofar as possible.
2. The design of progress and statistical reports.
3. Administration of the reports control system.
4. Planning, developing, and coordinating the implementation of work measurement and other management devices which are necessary to justify budget requirements and for efficient and economical

administration of funds and manpower ceilings controlled by the Commandant.

5. Planning and development of cost statistics.

With the data collected and maintained, the Comptroller will supervise:

1. Preparation of standard reporting prowedures.
2. Preparation and presentation of statistical reports, including use of graphical and similarly condensed displays of progress, trends, and performance data. Such reports are for timely use of department heads and Program Managers as well as the Chief of Staff and Commandant. Detection of variances from operating and budget plans are thus forcefully and simply presented to management such that timely corrective action may be taken. A measure of how the activity as a whole, or a program, rates with higher authority is also presented.
3. Reviewing of program performance qualitatively and quantitatively for compliance with standards and criteria.
4. Development and recommendation of standards and criteria for use of program administration in evaluation of performance and requirements.
5. Review of cost statistics and other program statistics to provide data to support budget estimates and provide program performance analysis.

Depending upon the local organization and the desires of the Commandant, the manpower control program (military and/or civilian), or at least its relation to funds administered by the Commandant, may come under the supervision of the Comptroller. Collection and use of data in this field would include:

1. Work measurement methods and uses to generate data.

2/ Determination of military and/or civilian requirements, and to provide coordination with respect to budgetary and manpower implications of programs to insure that requests for dollar support and

manpower support are consistent and compatible.

3. Programming of long range military and/or civilian manpower requirements.

4. Formulation of plans, policies, and procedures for obtaining maximum utilization of manpower.

5. Procedures and techniques for the conduct of manpower audits, management studies, and related surveys.

6. Evaluation of effectiveness of procedures and programs designed to achieve conservation of manpower.

7. Coordination and advice on implementation of manpower management programs promulgated by higher authority.

8. Preparation of personal services budget estimates.

9. Allocation of spaces.

An authority on industrial accounting and budgeting is quoted here to show the common applicability of principles to business or government, and to throw in at this point a word of caution on the Comptroller's part insofar as his role in checking on progress is concerned:

> The strictness of budget enforcement. It seems almost unnecessary to state that budget plans, except where conditions have manifestly changed to such an extent that revisions of the budget are called for, should be strictly enforced. Small variations may easily become large differences over a period of time. Unless such differences are promptly checked at their inception, the budget plan may become more or less inoperative. Every variation of any appreciable amount must be traced to its source; either corrective measures should be instituted, or revision of the budget contemplated as soon as possible. Loosely enforced budget plans may perhaps be better than no plans at all, but the real merits and advantages of budgetary control can be gained only by enforcing the budget as strictly as possible.
>
> It should be emphasized in this connection, however, that the task of budget enforcement is not that of the controller. The controller serves as a "spark-plug" or a catalyst in prodding the operating management to take the proper action under given circumstances, but what the nature of that action ought to be, and how the desired enforcement should be attained,

are not direct responsibilities of the controller. Just as in the preparation of the budget the estimates ought to originate in the operating management (supervisors, foremen, or section heads), the working out of needed revisions in the original estimates, and the details of enforcement, must always be the job of those who are charged with operating responsibility. The controller should press for such action on the part of the operating executives; but he cannot serve effectively as a controller if he attempts to take over the responsibilities which he is supposed to check and report upon.[1]

SECNAV NOTE 5220 of 19 December, 1952, is quoted in part, with regards to management reports and methods:

Basic Objective of Management Reporting. The basic objective of management reporting is to make known to management the status of planned programs by the use of reports containing analyses of statistical data. These reports and analyses should provide management with summary information as an aid in the formulation of policy affecting program management and for making decisions in operations. Reports should permit management to determine whether actual performance is deviating from the budgetary or program plan. Additional reports should contain statistics on programs from other bureaus and offices, Navy-wide or Department of Defense statistics, or general statistical data from outside the organizational unit.

Essential Characteristics. Management reports must be brief, timely, accurate, and simply presented. The brevity can be accomplished by a careful screening out of detail required only for day-to-day operations and by limiting the reporting to a samll number of areas. Timeliness must be determined on the basis of individual programs. A publication which lacks some of the more effective graphic and narrative techniques but which is made available to management in time for corrective action is obviously preferable to a more elaborate presentation published too late. The degree of accuracy required is dependent on the use to be made of the data. For example, an unusual situation may be indicated by incomplete statistics; However, the inaccuracy of these ststistics may be responsible for indicating a change when none occurred, thereby causing a poor decision to be made by management. For this reason, although preliminary statistics may be quite valuable as quick indicators suggesting critical areas, greater accuracy is required for management action.

. . . . . .

Relationship of Published Management Statistics to Other Media. Management can be kept informed by media other than published management statistics. Verbal reports, staff meetings, and special memoranda are also used to report performance to appropriate authority. However, to provide uniformity, continuity, and brevity, management statistics should be one of the means of communicating with management. Likewise, published statistics may also be used by operating personnel and may serve as reference material at all levels. Statistical publications which lack summarization, analysis, and selectivity are insufficient in serving the needs of management.[2]

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[1] Wm. J. Vatter, Managerial Accounting, (New York: Prentice-Hall, Inc., 1951), p. 119-120.

[2] Department of the Navy, Officex of the Secretary of the Navy, SECNAV NOTE 5220, of 19 December, 1952. Reference to the entire note is recommended.

The "Check List for Evaluation of Published Management Reports," a part of the above note, is also recommended as an example for use in making an annual survey of report forms. The cancellation of one report can mean a saving of hundreds of man-hours in a year. But remember the old one about the reports survey that resulted in a requirement for two additional reports!

Finally, the question of what and how much data to collect, and how many reports to make up from such data, depends upon the limitations of talent, personnel, and time, not only in the Comptroller's office but in other offices; this is true particularly in the field, where staffs will not be on the subdivided and full-coverage basis of those in the bureaus and offices in the Navy Department.

INTERNAL AUDITING

Internal auditing has been defined as:

> . . . an examination of the transactions, books, and records of a business or other organization by the employees of the business or organization in order to study, verify, analyze, appraise, and report upon the facts including financial and operating procedures and policies, its financial position, and results of operation.[1]

Internal auditing measures and evaluates other means of internal control, according to the thinking of the Internal Audit Division of the Office of the Navy Comptroller. It is a means of insuring the verity and integrity of our accounting records for fiscal funds as well as purely Supply Department stores and disbursing accounts.

Internal control is closely allied, in that an audit evaluates the means of internal control. The latter comprises the plan of organization and all of the coordinated methods and means adopted within an activity to: (1) safeguard its assets, (2) check the accuracy and reliability of accounting data, (3) promote operational efficiency, and (4) encourage adherence to prescribed managerial

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[1]Statement by Dr. R.D. Kennedy, Professor of Accounting, The George Washington University, in a lecture to the Navy Comptrollership Course class.

policies.

Actually, internal audit is a control measure, operating through the appraisal of other controls. It provides a protective service in the conservation of resources and a contructive service through recommendations for improved use of resources. The extent of its use at any activity is dependent upon circumstances and the existing or desired organization. At the naval district level it probably will not involve a bookkeeping, penny-searching examination (a popular conception) of the Supply Department's books, but it will concern itself with questions of whether the records kept of allotment expenditures and obligations are of the type and content that will serve the purpose best for keeping the Chief of Staff and Commandant informed of what they need to know on a timely basis. Are additional records needed in the Comptroller's immediate office? Is it necessary for the Director of Training or the Assistant Chief of Staff for Logistics to keep allotment or contract records in their offices? Can the personnel keeping such additional records for each Program Manager of office be utilized better in a centralized record-keeping function, perhaps in the Supply Department offices, paralleling the regular allotment records but providing daily, up-to-date information using good estimates and projections of costs and anticipated expenditures instead of waiting for the regular (and officially required) books to be completed and proved? Can or should the fiscal division of the Supply Department be lifted bodily into the Comptroller's Office?

The Navy Comptroller's Office has not delineated internal auditing to date as a specific function of a field comptroller, and I gather there is still some uncertainty as to the "how" and extent of application in the field. Their first draft of the proposed charter for field comptrollers describes the function of "Internal Controls and Fiscal Review"; the content as quoted below is

certainly applicable to the term "Internal Audit."

> Internal Controls and Fiscal Review. Assures that the accounting system is providing the obligational, expenditure, cost and other requisite financial data in time and in a manner useful to management. Makes policy recommendations to the Comptroller of the Navy via the management bureau concerning accounting matters, and assures: that directives and instructions promulgated by higher authority are complied with; that required accounting records are maintained; that accounting classifications are geared in with budget and program classifications; that cost accounting, property accounting records, stores inventory ledgers and records, property returns and disbursing are being effectively performed. Provides protection for the assets of the command through a system of internal fiscal review and controls. This includes devising and supervising a system covering review and examination of the integrity, propriety, effectiveness and adequacy of the financial management and reporting program. Conducts periodic reviews of budgetary, accounting and statistical reporting, with recommendations for remedial action to correct defects or inadequacies.

It will be noted that the function, whether it be internal control, fiscal review, or internal audit, stops with its application to financial management, and reviews of budgeting, accounting, and statistical reporting. It does not go all the way with the modern business conception of internal audit which includes ". . . financial and operating procedures and policies, its financial position, and results of operation." (Underscoring provided.) Here again, the budget and operating plans are inextricably related, and the Comptroller may well see malpractices, faults, and errors in operational plans or procedures --he can and must point out forcibly to top management any delays, lagging of programs, costly procedures, excessive wastes and time or money consuming practices compared to other similar activities or past operations--he must not dictate how or what to do unless the solution is entirely within the field of financial management. That covers a lot of ground and there are no clear red and green lights along the Comptroller's course.

General basic duties in the field of Internal Audit would include:

1. Develop standards and criteria for appraisal which are applicable to the immediate management situation.
2. Conduct systematic inspections of the functioning of accounting

and financial control and controls in other operations (except military operations) to verify records, insure compliance with policy and procedure direction and to evaluate effectiveness.

3. Provide liason with internal audit and other appraisal units at higher echelons, and, when directed, participate in internal audit conducted by higher echelon units.

This last responsibility would mean anticipating and assisting in, if possible and desired, the visits of the Industrial Survey Group from the Navy Inspector General's office, in coordination with the District Inspector General; and performing the same function, even more closely allied, with the Internal Audit Division's visits from the Office of the Navy Comptroller.

ADMINISTRATIVE ORGANIZATION STRUCTURE AND MANAGERIAL PROCEDURES (FINANCIAL) RELATING THERETO

This field embraces the study and application of management improvement and management engineering principles. It is a field in which the Comptroller must move slowly for it is the area in which most prejudice and preconceived thinking exists--that of the Comptroller as another "expert" or "specialist" who is come to tell everyone in the operating departments how to organize and do their jobs. Nothing can be farther removed from the Comptroller function, yet it is his responsibility to point up causes of financial waste and inefficient use of manpower, and to recommend corrective action if possible --if those causes lie in organization or procedure, he must find a way to point them out and convince the operators first, and top management next if necessary, of the fault and the need for remedial action; what that action should be may not be apparent to him and may be to the Program Manager or management, or the reverse may be true; if management is sold on the need, they will ask for remedial suggestions, and a solution should be forthcoming from a meeting of

minds, with the assistance of data that the Comptroller should be prepared to provide. If not, the assistance of the Navy Comptroller Audit group, or even of outside consultants, may be resorted to.

In any case, the Comptroller should look first to his own office organization and procedures to assure himself that the best principles of organization of personnel and methods are being used, such that he is in a position to provide a service and an example.

The combination in the Comptroller's office of coordination of funds with manpower requirements and ceilings, all tied into the formulation and status of execution of the budget--all functions that are currently brought together in the Office of the Under Secretary of the Navy (Comptroller of the Navy)--place him in the most advantageous and effective position of an actual, practical staff assistant if he possesses the necessary personal qualities. If he does not, he should not hold down the job.

Some examples of fields in which savings <u>may</u> be made are:

Fewer people, with improved utilization of those remaining.

Reduction of excess material and equipment, with improved utilization of those items remaining.

Trimming of unnecessary organizational units.

It is not a sign of the eager beaver and ladder climber to find these areas of economy--experience with the Congressional committees, the Bureau of the Budget searchings, the Secretary of Defense revised policies, and surveys of inspecting and auditing groups prove that if these areas are not brought to light internally they will be disclosed anyway, resulting in arbitrary cuts and embarrassments far beyond what could have been expected from voluntary acts of reduction and streamlining, with admission of fault if such is the case.

An example of uneconomical procedure was disclosed when a management

bureau noted that a truck transportation contract, let for the handling and hauling of high priority items to conserve time, was being overexpended. It was found that beer, juke box records, and clothing items, for example, were being so transported while spare parts in short supply, for which the contract was set up primarily, were awaiting delivery, and that assembly hold-ups were being caused thereby.

Another activity was found, on inspection, to have unnecessary administrative personnel and was told to reduce by a certain percentage. The typewriter overhaul shop was closed down as a result, necessitating letting of a contract for such work, while the front office personnel, actually in excess of needs, were not cut. The repercussions were not palatable to top management.

GUIDANCE AND ASSISTANCE TO OTHER DEPARTMENTS

This is the most practical, direct, and efficient field of enterprise for the Comptroller--to so establish himself and the reputation of his office that other department heads request the services and assistance he can provide in the way of correlating information, offering surveys and studies of procedures and organization, assisting with work measurement programs, providing up-to-the-minute financial and statistical data. It is also the least immediately remunerative field if he is looking for personal reputation and glory (albeit short-lived), but the long-range reputation he enjoys if he does not have the respect and confidence of his fellow staff members will not be an enviable or short-lived one!

Again I emphasize the staff position of the Comptroller, and that position carries a responsibility to provide service to other staff members as well as to the Chief of Staff and the Commandant. The Comptroller's job requires this concept in even greater degree than is expected of other staff members--yet the Comptroller could become overzealous and impose his advice

regarding financial matters with respect to too many unimportant details, resulting in impatience with his continuous "heckling" and a reluctance to accept him when the advice would be of primary import.

As a last quotation of Mr. Floberg's letter, let us see what he says about the staff function of the Comptroller:

> Comptrollership is a staff function, without line authority except over assigned specialties falling within the comptrollership area, and is designed to bring to the commender, who has the line responsibility for effective and economical operation, a complete staff service function of information and analysis pointing up potential problem areas and action recommendations. Such recommendations are produced as a part of completed staff work and must always have the understanding and approval of the line authority before they can have any impact on the organization as a whole. Where the basis of competent comptrollership exists, approval of recommendations by the line authority may be automatic through delegation of broad authority to the comptroller to issue directives.[1]

Examples of some of the fields for guidance and assistance might be:

1. Translation of men, materials, equipment, and maintenance into dollars.
2. Establishment of work measurement standards, criteria, methods, and procedures.
3. Status of allotment expenditures and obligations, and trends of same.
4. Forecasting utilization of allotments; illustration and portrayal of status and progress.
5. Forms and reports control methods.
6. Organization and methods studies as developed in the study of management engineering.
7. Surveys of manpower utilization and personnel requirements.
8. Interpretation of Navy Department directives on fiscal policies and procedures.

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[1]Floberg, op. cit.

9. Compliance with laws and instructions, particularly with regard to suballocation of funds and overexpenditures.

V. COMPTROLLER'S STAFF

The approved and standard Naval District Headquarters staff organization, as contained in OPNAV INSTRUCTION 5450.21 (last one of 11 August, 1951), is appended as Appendix 5. The Comptroller would be inserted as a captain's billet, stemming from the Chief of Staff in the same manner as the Planning Officer or the Inspector General (the analogy stops there in the latter example). The Instruction states that "these staff functions do not represent billets except in those instances which are coincidental," and allows for the assignment of more than one function to a member of the staff. That might be a desire of the Commandant in regard to the Comptroller function, as it is now in some instances; as stated before, that is of no import as long as the function is carried out.

The Comptroller's staff, as proposed in the first draft of the prospective Field Activity Comptroller Charter, appears as illustrated in Appendix 6. Original thinking in the cases of the first two pilot installations in the 1st and 11th Naval Districts allowed for a GS-12 (Civil Service) Deputy Comptroller and 13 other civilian positions; all civilians would have to be obtained locally from existing job positions in other offices, or hired to fill an existing vacancy; no additional funds or ceiling would be involved. The GS-12 would be subject to approval of the Chief of Naval Operations (Op 213).

Admittedly the above allowance of civilians is too large, and present thinking brings it down to a total of about nine to twelve civilians, depending upon the complexity of organization and funds administered. In the functional chart shown, Program Analysis and Statistics might be combined with Budget; the organization must be tailored to fit the needs.

VI. CONCLUSION

By now you know, from studies of texts and writings of many authors and offices, the functions of any Comptroller, and what is desireable in business and in government. Most of the applicable functions have been performed in all navy bureaus and field activities. The new elements introduced by the concept of Comptrollership in the navy as it will be practiced are:

1. Emphasizing the constructive aspects of the reporting, analysis, and interpretative functions as distinct from the purely recording function.
2. Improving budget practices at the field activity level.
3. Coordinating and integrating the several comptroller functions to provide to the commanding officer concisely the basic data essential for efficient, economical, and effective management control.

Operating requirements are paramount, in terms of material, equipment, and men. These flow from a coordinated plan of operations for the activity, as directed by higher authority and as considered necessary or desireable locally. Funds allocated determine how much of the requirements can be met; justification for more must be submitted, or operations curtailed to fit within the funds available, and higher authority must be advised of limitations thus imposed. In the planning and decisions involved in those processes--the responsibility of the commander--the Comptroller's Office is a part of staff which gathers essential financial, manpower, and materials information together in one place, examines it in coordination with other staff members with regard to effectiveness and economy, prepares a budget, and presents to the commander the current status of programs and recommendations for action.

All functions of a Comptroller are channelled toward the ultimate goal

of improved organization and management procedures within the activity, such that an economical budget will support the operations necessary to accomplish the mission.

APPENDIX I

DEPARTMENT OF THE NAVY
Office of the Comptroller
Washington 25, D. C.

NAVCOMPT 5460.1
NCB-32
26 August 1952

NAVCOMPT INSTRUCTION 5460.1

From: The Comptroller of the Navy
To: All Ships and Stations

Subj: Current Charter of the Comptroller of the Navy

Ref: (a) SecNav ltr of 1 Jun 1950, Subj: Comptroller of the Navy--establishment of Office of and assignment of responsibilities (NDB Jan-Jun 1950, 50-415, p. 55)

Encl: (1) Copy of revised charter, approved 20 Aug 1952

1. Purpose. This Instruction forwards enclosure (1) which is a current copy of the revised Charter of the Comptroller of the Navy, as approved by the Secretary of the Navy. It reflects changes in the Comptroller's function. Reference (a) was the initial charter setting forth the authority, duties, and responsibilities of the Comptroller of the Navy.

2. Superseded Issuances. Reference (a) is accordingly superseded by enclosure (1).

3. Highlights. The current charter contains a more definitive statement of the Comptroller's function than appears in reference (a). It also reflects the transfer of the quarterly personnel allocation function from the Comptroller's Office. (This function was assigned to the Deputy to the Under Secretary of the Navy for Manpower). Added functions specified for the Comptroller are in the area of making available to management information collaterally generated through normal functioning of the Comptroller organization.

JOHN F. FLOBERG

CHARTER OF THE COMPTROLLER OF THE NAVY

I
AUTHORITY FOR COMPTROLLER

Public Law 216, approved 10 August 1949, amended the National Security Act of 1947 and among other things established in the Department of Defense and in each military department a comptroller, and vested in the said comptrollers authority and responsibility for certain functions, subject to the authority of their respective secretaries. The pertinent provisions of the statute are quoted below:

"COMPTROLLER OF DEPARTMENT OF DEFENSE

"SEC. 401. (a) There is hereby established in the Department of Defense the Comptroller of the Department of Defense, who shall be one of the Assistant Secretaries of Defense.

"(b) The Comptroller shall advise and assist the Secretary of Defense in performing such budgetary and fiscal functions as may be required to carry out the powers conferred upon the Secretary of Defense by this Act, including but not limited to those specified in this subsection. Subject to the authority, direction, and control of the Secretary of Defense, the Comptroller shall--

"(1) supervise and direct the preparation of the budget estimates of the Department of Defense; and

"(2) establish, and supervise the execution of--

"(A) principles, policies, and procedures to be followed in connection with organizational and administrative matters relating to--

"(i) the preparation and execution of the budgets,
"(ii) fiscal, cost, operating, and capital property accounting,
"(iii) progress and statistical reporting,
"(iv) internal audit, and

"(B) policies and procedures relating to the expenditure and collection of funds administered by the Department of Defense; and

"(3) establish uniform terminologies, classifications, and procedures in all such matters.

"MILITARY DEPARTMENT BUDGET AND FISCAL ORGANIZATION--DEPARTMENTAL COMPTROLLERS

"SEC. 402. (a) The Secretary of each military department, subject to the authority, direction, and control of the Secretary of Defense, shall cause budgeting, accounting, progress and statistical reporting, internal audit and administrative organization structure, and managerial procedures relating thereto in the department of which he is the head to be organized and conducted in a manner consistent with operations of the Office of the Comptroller of the Department of Defense.

"(b) There is hereby established in each of the three military departments a Comptroller of the Army, a Comptroller of the Navy, or a Comptroller of the Air Force, as appropriate in the department concerned. There shall, in each military department, also be a Deputy Comptroller. Subject to the authority of the respective departmental Secretaries, the comptroller of the military departments shall be responsible for all budgeting, accounting, progress and statistical reporting, and internal audit in their respective departments and for the administrative organization structure and managerial procedures relating thereto . . . "

II
DUTIES AND RESPONSIBILITIES OF THE COMPTROLLER OF THE NAVY

The mission of the Comptroller, under the authority of the Secretary of the Navy, is to formulate principles and policies and to prescribe procedures in the areas of budget, fiscal, accounting, audit, progress and statistical reporting throughout the Department of the Navy to the end that their use will result in meeting the operating and planning requirements of management with efficiency and economy. In general, the Comptroller will function in a staff capacity, except in specific cases when operations are required in the discharge of his statutory responsibilities, or by specific directive of higher authority. Examples of these exceptions are: The conduct of audits, the provision of financial assistance to defense contractors, and the performance of central accounting operations.

The Comptroller is directly responsible for budgeting, accounting, progress and statistical reporting, internal audit, providing financial assistance to defense contractors, and for the administrative organization structure and managerial procedures relating to such responsibilities within the Department of the Navy. In discharging these duties, he will be responsible for:

(a) Budget Preparation: This responsibility extends to the technique and authority essential to the translation of plans and programs of the Chief of Naval Operations into a formal budget for presentation to the Secretary of Defense, the Bureau of the Budget, and the Congress. The duties and responsibilities of the Comptroller in no way diminish the military authority of the Chief of Naval Operations through the military chain of command over operating forces and their essential support, including personnel distribution, military organization methods, and general military procedure. The Comptroller's organization shall assist the Chief of Naval Operations in the performance of such duties and the satisfaction of such responsibilities as the latter may have in connection with preparation and presentation of the budget.

(b) Budget administration, including a continuing review of the execution of approved budget plans and programs, and the allocation and apportionment of appropriations.

(c) Basic fiscal policy, including the development of systems of accounting and financial reporting.

(d) Determinations with respect to, and the administration of, the guaranteed loan program, advance and progress payments, and other credits relative to procurement contracts.

(e) Accounting principles, policies, and procedures relating to the value of all property whether of an operating or a capital nature. Nothing herein shall be construed as divesting the Chief of Naval Operations and the bureaus and offices of the Navy Department* of their authority and responsibility with respect to inventory control, the determination of stock levels and distribution, and the physical items of property embraced therein.

(f) The development of audit principles, policies, and procedures and the implementation, as required, of systems of internal audit and contract audit. Advice to procurement authorities on auditing aspects of procurement contracts and accounting aspects of pricing policies and procedures.

(g) The development of policy and general systems of statistical and progress reporting with respect to fiscal and budgetary matters. The receipt and review of requests from the Department of Defense and other Government agencies for statistical data and the monitoring of completion and consolidation of these reports, when necessary.

(h) Reports control policy and the general implementation thereof with respect to matters under the cognizance of the Comptroller.

*Bureaus and offices, as used in this charter, includes Headquarters, Marine Corps.

(i) Administrative organization structure and managerial procedures relating to budgeting, accounting, progress and statistical reporting, and internal auditing within the Department of the Navy.

(j) Making available to management information collaterally generated through normal functioning of the Comptroller organization.

(k) Coordination and correlation of matters under his cognizance with the Comptrollers of the Departments of Defense, Army, and Air Force and other departments and agencies of the Government.

Orders and instructions issued by the Comptroller of the Navy in execution of the duties assigned to him by law, by this charter, or by other directive from higher authority shall be considered as emanating from the Secretary of the Navy, and shall have full force and effect as such.

III
DEPUTY COMPTROLLER

The Deputy Comptroller will assist the Comptroller in all matters and respects as directed by the Comptroller. He will act for the Comptroller in the latter's absence. Subject to the authority of the Comptroller, he will be responsible for the internal administration within the Office of the Comptroller.

IV
POLICY AND PLANNING COUNCIL

Under the direction of the Comptroller, the Policy and Planning Council composed of such organization heads as may be designated will:

(a) Coordinate and correlate action involving two or more organizational units of the office as may be required.

(b) Recommend policies and procedures to be followed by the Comptroller in his relations with the Department of Defense and other Government agencies.

(c) Recommend policies and procedures for the internal administration of the Comptroller's Office.

(d) Coordinate and correlate policy directives and procedural instructions promulgated by the Comptroller for publication in a permanent handbook or manual.

V
ASSISTANT COMPTROLLER, DIRECTOR OF BUDGET AND REPORTS

The Assistant Comptroller, Director of Budget and Reports, will:

(a) Be responsible for the organization and administration of matters relating to budget, reports, and statistics.

(b) Coordinate with, and obtain the concurrence of, the Chief of Naval Operations in the development of budget plans and programs, and their presentation to higher authority.

(c) Establish, develop, and supervise the execution of general principles, policies, and procedures governing the preparation and administration of the Navy budget.

(d) Supervise and direct the preparation, analysis, and coordination and review of the budget estimates of the Department of the Navy and the presentation of the budget to the Bureau of the Budget and to the Congress.

(e) With counsel assigned to duty with the Comptroller, develop appropriation language and review legislation having budgetary significance.

(f) Establish uniform terminologies, classifications, and procedures in budget matters.

(g) Supervise the preparation and submission of reports to the Secretary of Defense, Bureau of the Budget, and the Treasury Department, covering the apportionment and the status of appropriations.

(h) Process the allocation and apportionment of appropriated funds to bureaus and offices of the Navy Department.

(i) Continuously review rates of obligation and expenditure of appropriated funds and develop budget control as an effective instrument of management.

(j) Plan and prepare statistical analyses to provide budgetary and fiscal information required for management control and determination of broad administrative policy.

(k) Receive and review requests from outside agencies for statistical data. Answer requests from published data when available; or channel requests to the proper bureau, board, or office, monitor the

completion of these assignments, and consolidate reports when necessary.

(l) Maintain liaison with statistical offices of the Department of Defense and other Government agencies and represent the Navy on committees and in conferences dealing with statistical policies and methodology.

(m) Apply standards of budgetary control based upon cost accounting, fiscal accounting, work measurement, and other management reporting systems as appropriate.

(n) Determine the budget and fiscal reports and forms control policy for the Department of the Navy. Review reporting methods, procedures, and requirements for budgetary and fiscal statistical reports, and insure that full coordination precedes the establishment of new reports.

(o) Coordinate the development of standards of presentation, classification, and definition of data contained in progress and statistical reports in the budgetary field.

VI
ASSISTANT COMPTROLLER, ACCOUNTING, AUDIT, AND FINANCE

The Assistant Comptroller, Accounting, Audit, and Finance, will:

(a) Be responsible for the organization and administration of matters relating to accounting, audit, and finance.

(b) Develop and supervise the execution of principles, policies, and procedures to be followed in fiscal, cost, operating, and capital property accounting and working capital and management fund operations throughout the Department of the Navy.

(c) Prescribe the type and content of financial records and of fiscal, cost, operating, and capital property accounting records maintained by the bureaus and offices of the Navy Department.

(d) Develop uniform terminologies, classifications, and procedures in the areas covered in paragraphs (b) and (c) above.

(e) Develop and supervise the execution of policies and procedures relating to the obligation, expenditure, and collection of funds administered by the Department of the Navy.

(f) Develop and prepare for publication recurring summary reports of a fiscal, cost, operating, and capital property accounting nature and compile special reports on these matters as required.

(g) Coordinate and arrange for financing interdepartmental and intradepartmental programs; the administration of advance payments, guaranteed loans, and progress payments.

(h) Coordinate and correlate all of the foregoing responsibilities with the Comptroller of the Department of Defense and with other Government agencies.

(i) Develop audit principles, policies, and procedures and exercise technical supervision of audit operations in and throughout the Department of the Navy.

(j) Perform audits, as required, of current, completed, and terminated contracts of the fixed-price type, the cost-plus-fixed-fee type, time and material type, etc. Make reviews and audits, as required, which relate to unit costs, total costs, price determinations, renegotiations, fraud and investigations, system surveys, partial payments, and of Government-furnished property placed in the custody of private industry for Navy purposes under all types of procurement contracts or other forms of agreement. (Ordinarily audits and accounting reviews relating to fixed-price contracts will be made on the request of procurement authorities, notwithstanding the Comptroller's inherent authority so to do at his election.)

(k) Perform audits and examinations, as required, of systems, procedures, records, and documents pertaining to the obligation and expenditure of appropriated funds, property accounting, sales and reimbursements, and of nonappropriated funds.

(l) Coordinate with the Naval Inspector General, to the fullest extent feasible, audits and examinations of field activities.

(m) Coordinate Navy audit programs as required with the Comptroller of the Department of Defense, the General Accounting Office, and other Government agencies.

Approved, effective 20 August 1952

DAN A. KIMBALL
Secretary of the Navy

APPENDIX II

24 September , 1952

INFORMAL TALK TO COMONE STAFF ON ORGANIZATION AND MISSION OF THE HEADQUARTERS COMPTROLLER

Commands are constantly challenged as to the amount of money required or being expended. Coordinating budgetary, work measurement and manpower programs in the area of financial management will provide the Commandant with the necessary basis on which funds are requested in the event of mobilization, expanding programs, and justifications as to why the money is required.

ConOne Instruction 5460.1 of 22 September, 1952, establishes as of 1 October 1952 a Comptroller organization on the Staff of the Commandant. The Comptroller will be responsible to the Commandant in the execution of the responsibility for the management and effective utilization of allotted funds, established manpower ceilings, and work-measurement program. This organization will provide the Commandant, and the Staff, with analytical and advisory staff services to assist in the effective and efficient utilization of resources.

It is the desire of CNO and NavComp to establish Comptroller organizations at District levels. However, before doing so and prescribing an official change of mission for all Headquarters to include the function, pilot installations are to be established in the First and Eleventh Naval Districts. These two pilot installations will also serve as a guide to develop appropriate organizations, effective operating procedures, and adequate staffing requirements for other Districts. In this connection OP282 and OP2821 of the Office of the Chief of Naval Operations recently visited ComOne. They submitted a brief explanation of the proposed functions of the Headquarters Comptroller and suggested a tentaitve personnel organization chart based on CNO lts Ser 2859P28 dtd 2 Sept 1952.

The Heqdquarters Comptroller will be concerned with all areas of financial management, particularly in the field of correlating Budget and Manpower programs.

The Headquarters Comptroller will receive and administer allotments in accordance with prescribed directives. This office will consolidate and record data received from reporting organizations for current and future use in preparing reports and statistical studies for the Commandant or higher authority. Statistical and mathematical techniques will be applied to consolidate data and reduce it to organized, meaningful form, and highlight significant information to assist in the correct interpretation of reports, charts, graphs, etc.

Analytical studies and surverys will be made, and standards and criteria developed for the Commandant and the program managers. The need for dollar support and manpower support will be evaluated and coordinated to effect an integrated operation for justifications of budgets and quarterly manpower submissions. Assistance will be given to program administrators with their budget planning. Plans will be examined from a financial viewpoint in order to develop the most satisfactory methods consistent with the need for economy. Directives and procedures will be interpreted for program managers to insure the fiscal policies and procedures are uniformly applied throughout the command.

The preparation and justification of budget estimates in support of approved or proposed programs will be developed, and consolidated. Areas where financial reprograming may be effected may then be determined by the Chief of Staff. Action will be initiated to adjust financial plans to available funds and submit justified requests for additional funds when required.

Estimates will be reviewed by the Comptroller for reasonableness and conformance with program objectives prior to submission to the Chief of Staff. The Chief of Staff will determine the final level of support to be requested for each program before the budget estimates are forwarded to the cognizant Bureau or office with supporting data.

Costs of operation will be assembled, developed, analyzed, and summarized

to determine the degree of which resources are being effectively and economically utilized. Graphs, charts, and other apprppriate means of presentation will be developed to provide the Commandant and the Staff with centralized and selective portrayal of the results of analyses.

Quarterly allotment requests will be submitted to the Headquarters Comptroller by program managers. This office will review these requirements with the Chief of Staff, and after approval, submit them to the cognizant Bureau. Upon receipt of funds, the Comptroller by direction will make money available to program managers or other offices by delegation or sub-allotment.

The Fiscal Officer, Boston Naval Shipyard, will maintain the official allotment accounting records for the funds granted to the Commandant. Information received from the Fiscal Officer will enable the Comptroller to keep each program manager advised of the status of funds, and the Commandant advised of the status of all ComOne funds.

The Comptroller will also plan, develop, and coordinate Work Measurement and other management devices which are necessary to justify budget requirements for the efficient, effective, and economical administration of funds and manpower ceilings controlled by the Commandant.

Work Measurement, as used in relation to this function, is a system of establishing an equitable relationship between the volume of work performed and the employee time expended in performing the volume. The relationship established provides the basis for comparing employee utilization in like operations performed at different locations, and for comparing amployee utilization in the same operation at the same location over a period of time.

In its essentials, Work Measurement is a simple, direct systematic method of measuring and evaluating organized effort. It puts essential facts into the hands of management. It supplies answers as to how effort is being distributed to accomplish various missions. It sets related facts about workload and effort

side by side; and thereby furnished the raw material for timely and realistic decisions on staffing and assignment of personnel. It reveals how well the staffing pattern fits the workload pattern; brings to light rising or falling workload trends in various functions which compose the total effort; and allows manpower requirements to be deployed accordingly.

It is not a time study or performance rating. It is the development of format which includes determining work units and units of measure tailored to the specific uses intended.

In certain types of work, it is almost fruitless to find a work unit for operations performed. In those instances, however, the need for controlling work is no less important than in measurable types of operations. A basis for control may be found in simple time reporting on all work done. The reporting of time alone makes it possible to know how staff time is being distributed among the activities or operations performed. Knowing that, it then becomes possible for decisions to be made on whether more or less emphasis ought to be placed on each activity or operation in order to achieve the results desired.

Studies and reports on utilization of manpower to point out areas where allowance and ceilings are not fully utilized will be made in order that appropriate action may be taken to revise manpower assignments. The handling of both manpower controls (civilian and military) and budget programs by the Headquarters Comptroller will insure that requirements for dollar support and manpower support are coordinated.

This office is a service organization in the area of financial management to assist the Commandant and all members of the Staff. Navy Headquarters Comptrollership is in an early stage of development. Its usefulness to the Staff will be largely dependent upon the understanding and support of its functions.

APPENDIX III

HEADQUARTERS
FIRST NAVAL DISTRICT
NAVY BUILDING
495 Summer Street, Boston 10, Mass.

COMONESTAFF 5460.1
ND1/21-14
22 September 1952

COMONE STAFF INSTRUCTION 5460.1

From: Commandant, FIRST Naval District
To: Distribution List

Subj: Establishment of the Comptroller organization in the staff functions of the District Commandant (Code 003).

Ref: (a) CNO ltr Ser 2859P28 dtd 2 Sept 1952

1. Purpose. To establish on the Staff of the Commandant, First Naval District the function of Comptroller, who will report directly to the Chief of Staff.

2. Mission and Objectives. As regards funds administered by the Commandant:

(1) Provide for the Commandant, in a staff capacity, a complete, fully coordinated and correlated service in the area of financial management, fiscal policy, audit and finance functions, formulation, justification, and administration of the budget.

(2) Establish and develop standards and criteria, analyze and evaluate program performance.

(3) Plan, evolve, and coordinate the implementation of work-measurement and manpower-control programs (military and civilian).

(4) Prepare progress and statistical reports with respect to fiscal, budgetary and manpower matters for the Bureaus and Offices concerned.

3. Responsibility. Responsible to the Commandant in the execution of the responsibility for the management and effective utilization of allotted funds, established manpower ceilings, and work-measurement program.

4. Effective Date. This INSTRUCTION will be effective on 1 October 1952.

/s/ JOHN L. McCREA

JOHN L McCREA

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APPENDIS IV

COMMANDANT'S OFFICE
ELEVENTH NAVAL DISTRICT
San Diego 30, California

COMELEVEN 5460.1
Code OG
29 December, 1952

COMELEVEN INSTRUCTION 5460.1

From: Commandant, ELEVE TH Naval District
To: Distribution List

Subj: Establishment of the Comptroller Organization (Code OG) in the staff functions of the District Commandant

1. Purpose. To establish on the staff of the Commandant, Eleventh Naval District the function of Comptroller. The Comptroller will report to the Commandant through the Chief of Staff.

2. Disestablishment. The Office of Comptroller (BuPers Appn's) is hereby disestablished. All duties and responsibilities of the Comptroller (BuPers Appn's) will be absorbed by the District Comptroller.

3. Mission and Objectives. To provide for the Commandant, in a staff capacity, a complete, fully coordinated service in the areas of financial management and fiscal policy including formulation and administration of the budget; supervision of accounting, audit and finance functions; planning, development, and implementation of work measurement and manpower control of personnel related to funds and ceiling controlled by the District Commandant.

4. Designation. Captain Harry R. Carson, USN, is assigned duty as District Comptroller and designated administrator of all funds granted to the Commandant by the Bureaus and Offices of the Navy Department. This designation contains authorization to appoint sub-administrators by direction of the Commandant.

5. Effective Date. This instruction will be effective 1 January 1953.

/s/ J. W. ROPER

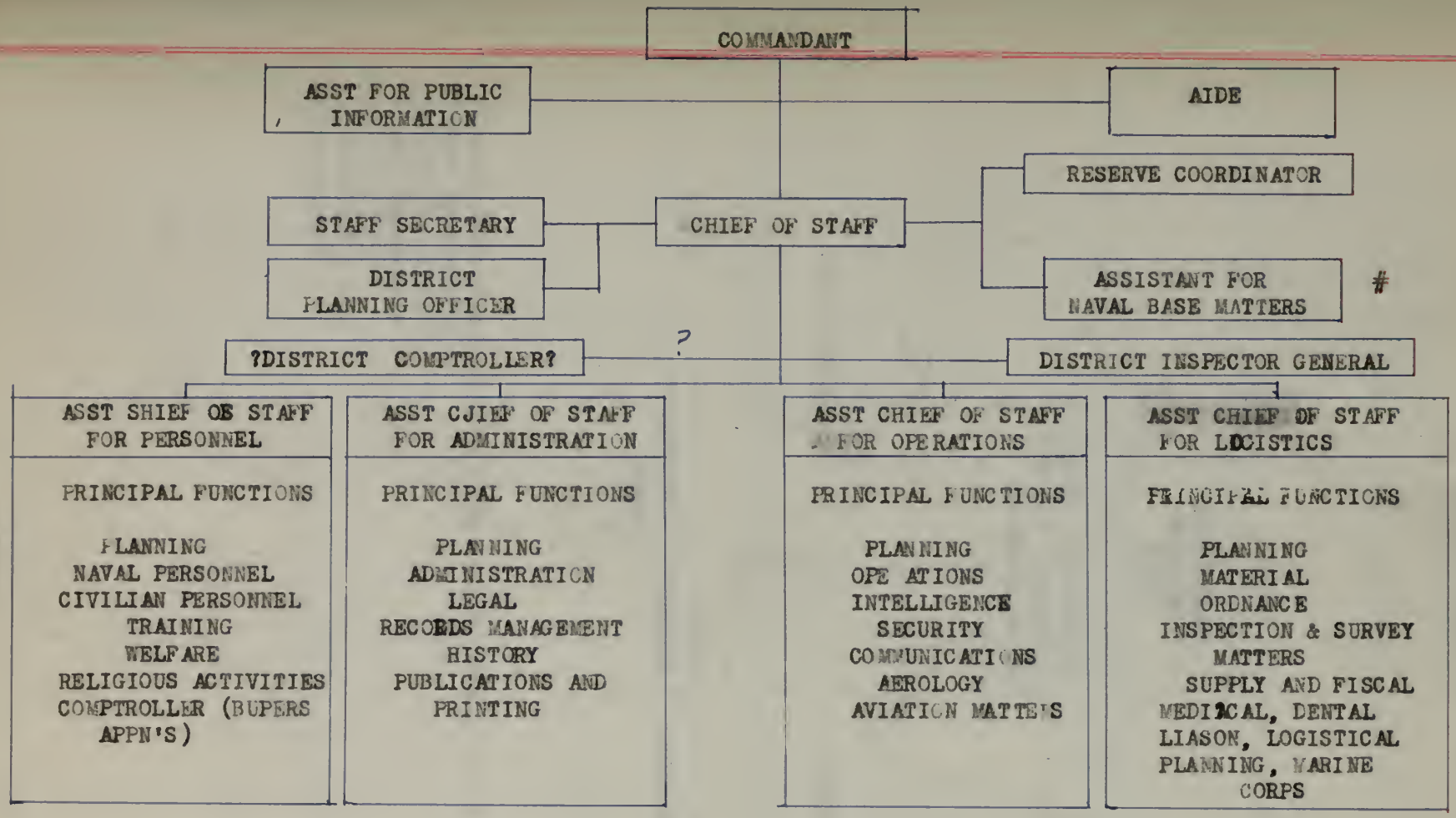
J. W. ROPER

DISTRIBUTION:
List A

Authenticated:

R. W. SMITH, CDR, SC, USNR
Comptroller (BuPers Appn's)

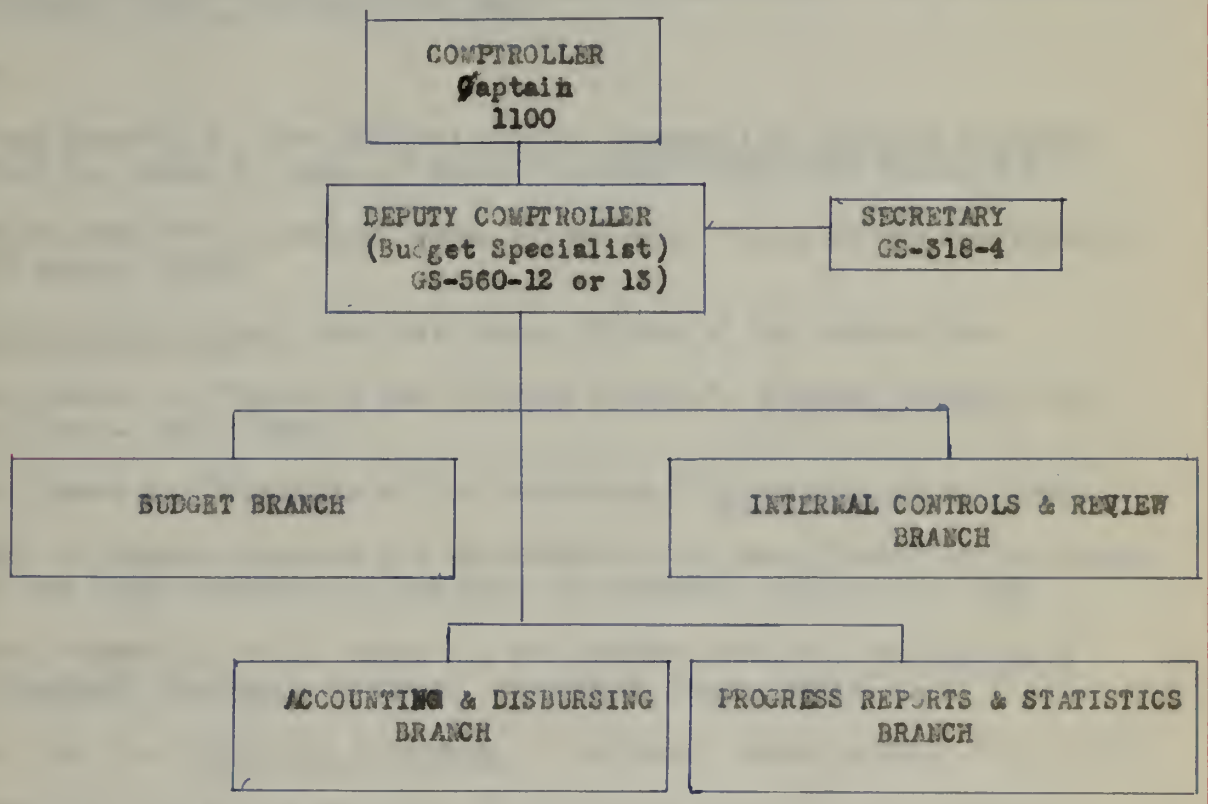
copy copy copy copy



Applicable to amalgamated staffs only.
- - - - Limited control for specific purposes.

APPENDIX VI

COMPTROLLER ORGANIZATION CHART
(APPROXIMATE)



Civil Service Job Positions from GS-3 to GS-11, in Job Titles of
Budget Specialist
Methods Examiner
Fiscal Accountant
Fiscal Clerk
Statistical Clerk
Clerk Typist

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